

1 UNITED STATES DISTRICT COURT  
2 NORTHERN DISTRICT OF OHIO  
3 EASTERN DIVISION

3 UNITED STATES OF AMERICA, Case No. 1:18cr742  
4 Plaintiff, Akron, Ohio  
January 18, 2019

5 vs.

6 LAUREN B. WOLF,  
7 Defendant.

8 TRANSCRIPT OF PROCEEDINGS  
9 BEFORE THE HONORABLE KATHLEEN B. BURKE  
10 UNITED STATES MAGISTRATE JUDGE

11 ARRAIGNMENT/GUILTY PLEA

12  
13 APPEARANCES:

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Court Reporter: Lori Ann Callahan, RMR-CRR  
United States District Courthouse  
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Proceedings recorded by mechanical stenography from a  
digital audio recording; transcript produced by  
computer-aided transcription.

## P R O C E E D I N G S

- - -

THE CLERK: All rise. This Honorable United States Court for the Northern District of Ohio is now open for the transaction of business. The Honorable Kathleen B. Burke presiding. You may be seated.

The case before the court carries Case Number 1:18cr742, United States of America versus Lauren B. Wolf.

THE COURT: Good afternoon. Would counsel for the United States please introduce himself for the record?

MR. McDONOUGH: May it please the court, Your Honor. Brian McDonough on behalf of the United States of America. And with me today is from the FBI, Al Chuna.

THE COURT: Okay. Good afternoon.

And would counsel for the defendant please introduce herself?

MS. MEEHAN: Yes. Thank you, Your Honor. Good afternoon. Catherine Meehan on behalf of Lauren Wolf.

THE COURT: Good afternoon.

Ms. Wolf, there not having been previously an indictment in this case, it has been brought by way of information. So today we will have both your arraignment and plea hearing on the charges that were brought against you.

During the hearing I will foresee that you were

1       advised of the charge in the information returned against  
2       you and of the maximum penalties for that charge.

3               Second, I will advise you of your right to counsel  
4       and make sure that you have an attorney or confirm that you  
5       have an attorney.

6               Third, I will advise you of your right to remain  
7       silent.

8               Fourth, I will ask you a number of questions in  
9       order to determine that you are competent to enter a plea,  
10      to make sure that your plea is free and voluntary, to make  
11      sure that you understand the constitutional rights that you  
12      will be giving up if you plead guilty, and to determine  
13      whether there is a factual basis for a plea of guilty.

14              After I do all those things, I will receive your  
15      plea to the charge in the information.

16              Before we get there, though, I should ask  
17      Ms. Meehan to confirm, it is my information that Ms. Wolf  
18      does wish to plead guilty to the charge in the information  
19      pursuant to a plea agreement.

20              Is that correct?

21              MS. MEEHAN: Yes, it is, Your Honor.

22              THE COURT: Okay. So, Ms. Wolf, you are here  
23      today on an information, as I mentioned, that was issued  
24      against you on December 14th, 2018.

25              Have you received a copy of the information?

1 THE DEFENDANT: Yes.

2 THE COURT: Okay. The information contains one  
3 count. I will ask Mr. McDonough, as attorney for the  
4 government, to describe the offense charged in the  
5 information.

6 MR. McDONOUGH: Your Honor, Count 1 of the  
7 information is a wire fraud, in violation of Title 18,  
8 United States Code, Section 1343, in that on or about  
9 January 25th, 2016, in the Northern District of Ohio,  
10 Eastern Division, and elsewhere, Defendant Lauren B. Wolf,  
11 for the purpose of executing and attempting to execute the  
12 scheme and artifice to defraud, transmitted and caused to be  
13 transmitted by means of wire communication and interstate  
14 commerce writings, signs, signals, pictures and sounds, to  
15 wit: an investor known as JH sent a wire transfer of \$100  
16 in JH's bank account located in Pittsburgh, Pennsylvania,  
17 to --

18 THE COURT: Mr. McDonough?

19 MR. McDONOUGH: Oh, yes.

20 THE COURT: We will go into the complete factual  
21 basis for a plea agreement later on in the proceeding. At  
22 this point I just want to have you set forth on the record  
23 the nature of the offense charged against Ms. Wolf in the  
24 information.

25 MR. McDONOUGH: Oh, yes, Your Honor. That would

1 be wire fraud, Title 18, United States Code, 1343.

2 THE COURT: It seems like we have an interruption  
3 so we'll take a moment.

4 (Pause.)

5 THE COURT: I apologize. We have a civil  
6 proceeding that is going on at the same time, a mediation.  
7 So apparently some of the parties or counsel in that may  
8 have a question. But I did tell them we're in a plea  
9 agreement at this time.

10 THE CLERK: Okay, all straight.

11 THE COURT: All right. So Mr. McDonough has set  
12 forth on the record the nature of the offense that's been  
13 charged against you, Ms. Wolf.

14 At this time I will talk to you about your right  
15 to counsel. You do have a constitutional right to be  
16 represented by an attorney at every stage of the proceedings  
17 in this case. If you were not able to afford to hire an  
18 attorney, the court would appoint one without cost to you to  
19 represent you.

20 Do you understand your right to an attorney?

21 THE DEFENDANT: Yes.

22 THE COURT: And I understand that you have  
23 retained Ms. Catherine Meehan, who is seated next to you, to  
24 be your attorney in this matter.

25 Is that correct?

1 THE DEFENDANT: Yes.

2 THE COURT: All right. One of the first things we  
3 need to do is to review your consent to my jurisdiction in  
4 this matter. I have received a consent to order of referral  
5 to magistrate judge for purposes of receiving defendant's  
6 guilty plea.

7 I am going to hold up that document. On the  
8 second page there are some signatures. And, Ms. Wolf, I  
9 will ask you to confirm that your signature is on the top  
10 line on the right side of the page.

11 THE DEFENDANT: Yes, ma'am.

12 THE COURT: Okay. And, Ms. Meehan, your signature  
13 is underneath Ms. Wolf's, correct?

14 MS. MEEHAN: Yes, Your Honor.

15 THE COURT: All right. Ms. Wolf, you do have the  
16 right to offer your plea of guilty to a United States  
17 district judge. By signing and submitting this consent,  
18 you're giving up that right and you are agreeing that I may  
19 receive your plea.

20 Do you understand that?

21 THE DEFENDANT: Yes, I do, Your Honor.

22 THE COURT: And is it your wish to consent to my  
23 jurisdiction in this matter?

24 THE DEFENDANT: Yes.

25 THE COURT: All right. Your consent is accepted.

1           During the proceeding, Ms. Wolf, I have a number  
2 of matters that I will be discussing with you, including the  
3 constitutional rights that you will be giving up if you  
4 plead guilty. I will go over each one of those rights with  
5 you.

6           We will take some time to do that. You should  
7 feel free to ask me questions if you have questions  
8 regarding either what I'm saying or the questions that I'm  
9 asking you.

10           I do want you to know that you have a right --  
11 even though you've expressed an intent to plead guilty, you  
12 have a right to change your mind at any time up until the  
13 end of this proceeding and to enter a plea of not guilty.  
14 So you can do that at any time up until the end of the  
15 proceeding when I ask you how you plead.

16           Do you understand that?

17           THE DEFENDANT: Yes, I do.

18           THE COURT: Okay. The next thing we're going to  
19 talk about is your waiver of indictment in this case.

20           I have received a waiver of indictment which  
21 appears to have your signature on it, Ms. Wolf, on the top  
22 line on the right side of the page.

23           Is that correct?

24           THE DEFENDANT: Yes.

25           THE COURT: And again, Ms. Meehan, your signature



1 is underneath Ms. Wolf's, correct?

2 MS. MEEHAN: Yes, Your Honor.

3 THE COURT: All right. So, Ms. Wolf, do you  
4 understand that you have a constitutional right to have your  
5 case presented to a grand jury, which would determine  
6 whether probable cause exists to return an indictment  
7 against you.

8 Do you understand that?

9 THE DEFENDANT: Yes, Your Honor. Yes.

10 THE COURT: And do you understand that by  
11 submitting this waiver, which you're permitted to do, you're  
12 permitted to waive that right under the Rules of Criminal  
13 Procedure, you are agreeing that in your case, instead of an  
14 indictment, the felony charge against you has been brought  
15 by the United States by way of filing of an information, the  
16 information that you're appearing on here today.

17 Do you understand that you've agreed to that?

18 THE DEFENDANT: Yes.

19 THE COURT: Do you understand that the government  
20 can only proceed against you by way of criminal information  
21 if you consent in writing?

22 THE DEFENDANT: Yes.

23 THE COURT: And if you waive indictment by grand  
24 jury, which that's what you've agreed to do in this waiver  
25 form, the case will proceed against you on the criminal

1 information just as though you have been indicted.

2 Do you understand that?

3 THE DEFENDANT: Yes.

4 THE COURT: Having discussed your right to  
5 indictment with you, is it your -- is it your wish to waive  
6 an indictment in this case?

7 THE DEFENDANT: Yes.

8 THE COURT: And have any threats or promises been  
9 made to you to persuade you to waive indictment?

10 THE DEFENDANT: No.

11 THE COURT: So having been advised of your rights,  
12 I take it that you wish to waive your right to indictment  
13 and to proceed -- to allow the case to proceed against you  
14 by way of criminal information, correct?

15 THE DEFENDANT: Yes.

16 THE COURT: All right. I have received a written  
17 waiver of indictment signed by Ms. Wolf. I will make a  
18 finding that the waiver has been made by Ms. Wolf knowingly  
19 and voluntarily, and I will accept your waiver of indictment  
20 at this time.

21 As I mentioned earlier, Ms. Wolf, I am going to be  
22 asking you -- I am going to be engaging in some discussion  
23 with you and I am going to be asking you a number of  
24 questions.

25 We have a court reporter here who will be

1 recording my questions and your answers. She cannot record  
2 a nod of the head or other gesture --

3 THE DEFENDANT: Right.

4 THE COURT: -- so you are going to need to put  
5 your answers in words.

6 If you don't understand a question at any time,  
7 please say so and I'll do my best to explain.

8 Also, if you wish to speak with your attorney, you  
9 may do that at any time.

10 My questions are not intended to embarrass you,  
11 they are for the purpose of making sure that you understand  
12 the charge against you and that you understand and are  
13 competent to enter a plea today.

14 Do you understand those instructions?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: Ms. Wolf, you do have a right to  
17 remain silent. You're not required to make any statement.  
18 And any statement you do make may be used against you.

19 Before I receive your plea, I will need to ask you  
20 questions to make sure that your plea is valid. In  
21 answering those questions, you will be making statements  
22 against your interest and you will incriminate yourself.

23 Do you understand that by proceeding here today  
24 with a plea of guilty, you will necessarily give up your  
25 right to remain silent?

1 THE DEFENDANT: Yes.

2 THE COURT: The courtroom deputy will place the  
3 defendant under oath.

4 THE CLERK: If you could raise your right hand the  
5 best you can.

6 (Defendant sworn.)

7 THE CLERK: If you could just adjust the  
8 microphone. You can move it, slide it so she can hear you  
9 better.

10 THE DEFENDANT: Okay.

11 THE COURT: Ms. Wolf, you have now been sworn and  
12 you are under oath to tell the truth. If you choose to  
13 answer my questions, your answers will be subject to the  
14 penalties of perjury if they are not truthful.

15 Do you understand that instruction?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: As part of the proceeding, I must  
18 determine that you're competent to understand the charge  
19 against you and competent to enter a plea.

20 I'll start by asking you to state your full name.

21 THE DEFENDANT: Lauren Bev Wolf.

22 THE COURT: And how old are you, Ms. Wolf?

23 THE DEFENDANT: Sixty-two.

24 THE COURT: Are you a citizen of the United  
25 States?

1 THE DEFENDANT: Yes, I am.

2 THE COURT: How far did you go in school,  
3 Ms. Wolf?

4 THE DEFENDANT: College. Bachelor's degree.

5 THE COURT: And you said a bachelor's degree, you  
6 said?

7 THE DEFENDANT: Yes, ma'am.

8 THE COURT: Okay. And what was your degree in?

9 THE DEFENDANT: Accounting.

10 THE COURT: Okay. I take it from your answers,  
11 Ms. Wolf, that you're able to read and write in English,  
12 correct?

13 THE DEFENDANT: Yes.

14 THE COURT: And also able to obviously speak and  
15 understand English, correct?

16 THE DEFENDANT: Yes.

17 THE COURT: Okay. Ms. Wolf, do you feel that you  
18 are able to make important decisions affecting your life?

19 THE DEFENDANT: Yes.

20 THE COURT: Are you able to manage your own  
21 affairs?

22 THE DEFENDANT: Yes.

23 THE COURT: Okay. Are you currently on probation,  
24 parole or supervised release for any other federal or state  
25 conviction?

1 THE DEFENDANT: No.

2 THE COURT: And within the last year, Ms. Wolf,  
3 have you been hospitalized or treated for any mental  
4 illness, a drug addiction or an alcohol addiction?

5 THE DEFENDANT: No.

6 THE COURT: In the last 24 hours, have you taken  
7 any medication or drugs or alcohol?

8 THE DEFENDANT: Medications, yes.

9 THE COURT: Okay. Is there anything about that  
10 medication that affects your ability to understand what is  
11 going on here today?

12 THE DEFENDANT: No.

13 THE COURT: Do you have any concerns at all about  
14 your ability to understand what is being said in the  
15 courtroom, the charge against you and your decision-making  
16 with respect to entering a plea?

17 THE DEFENDANT: I have no concern.

18 THE COURT: And, Ms. Meehan, do you have any  
19 concerns or -- about your client's competence to plead  
20 today?

21 MS. MEEHAN: No, Your Honor.

22 THE COURT: Okay. Ms. Meehan, can you explain to  
23 me -- not Ms. Meehan.

24 Ms. Wolf, can you explain to me in your own words  
25 your understanding of why we are here today, what the

1 purpose of this proceeding is?

2 THE DEFENDANT: I accepted investment funds into a  
3 company and under the terms of -- under representation that  
4 we had an agreement with a scientist for exclusivity, and  
5 our agreement was, in fact, not exclusive.

6 THE COURT: Okay. And you don't need to go into  
7 great detail about the facts of the case. We will go into  
8 those later on in the proceeding. I just want to know if  
9 you have an understanding of the basic purpose of this  
10 proceeding.

11 THE DEFENDANT: Okay.

12 THE COURT: Okay?

13 THE DEFENDANT: Uh-huh.

14 THE COURT: And your understanding is what, of why  
15 we are here today.

16 THE DEFENDANT: I committed wire fraud by  
17 accepting the funds on -- on representation that we had the  
18 exclusive rights to the scientists' technology.

19 THE COURT: Okay.

20 THE DEFENDANT: And I -- pardon me?

21 The purpose of the hearing is for me to plead  
22 guilty.

23 THE COURT: All right. Mr. McDonough, do you have  
24 any concerns about Ms. Wolf's competence to plead?

25 MR. McDONOUGH: No, Your Honor.

1           THE COURT: Okay. Ms. Wolf, have you discussed  
2 with your attorney the charge in the information to which  
3 you intend to plead guilty and the penalties associated with  
4 that charge?

5           THE DEFENDANT: Yes, I have.

6           THE COURT: Okay. Have you told your attorney  
7 everything you know about the case?

8           THE DEFENDANT: Yes, I have.

9           THE COURT: And have you reviewed with your  
10 attorney the terms of the plea agreement and had the  
11 opportunity to ask your attorney any questions regarding the  
12 means of those -- the meaning of the terms?

13          THE DEFENDANT: Yes, I have.

14          THE COURT: Are you completely satisfied with your  
15 attorney's representation of you and the advice that she has  
16 given you?

17          THE DEFENDANT: Yes, I am.

18          THE COURT: Ms. Meehan, have you advised your  
19 client regarding all plea offers that have been made by the  
20 government?

21          MS. MEEHAN: Yes, Your Honor.

22          THE COURT: Okay. Ms. Wolf, I am now going to  
23 discuss with you the constitutional rights that you would be  
24 giving up if you plead guilty. I'll go through those one by  
25 one.



1           The first is your right to a trial, including the  
2 right to jury trial. As I mentioned, you have a right to  
3 plead not guilty and to require the government to proceed to  
4 trial.

5           At trial you would have the right to a jury trial  
6 and you would have the right to the assistance of counsel.  
7 You would not have to prove your innocence at trial.  
8 Rather, the government would be required to prove you guilty  
9 by proof beyond a reasonable doubt as to each element of the  
10 offense charged against you.

11           Do you understand your right to a trial, including  
12 the right to jury trial?

13           THE DEFENDANT: Yes, I do.

14           THE COURT: And do you understand that by pleading  
15 guilty, you will be giving up that right?

16           THE DEFENDANT: Yes, I do.

17           THE COURT: You have a right to compulsory  
18 process. That means that if the case went to trial, you  
19 would have the right to have the court issue subpoenas to  
20 require the attendance of witnesses who could testify in  
21 your behalf.

22           Do you understand that right?

23           THE DEFENDANT: Yes.

24           THE COURT: And do you understand that by pleading  
25 guilty, you will be giving up that right?

1 THE DEFENDANT: Yes, I do.

2 THE COURT: You have a right to confront  
3 witnesses. That means if the case went to trial, you would  
4 have the right to see, to hear and to have your attorney  
5 cross-examine all witnesses that the government might  
6 present against you.

7 Do you understand that right?

8 THE DEFENDANT: Yes, I do.

9 THE COURT: And do you understand that by pleading  
10 guilty, you will be giving up that right?

11 THE DEFENDANT: Yes, I do.

12 THE COURT: You have the right to remain silent.  
13 If the case went to trial, you would have the right to  
14 remain silent at trial. You could testify if you chose to,  
15 but you would also have the right to choose not to testify.  
16 If you chose not to testify, the court would instruct the  
17 jury that the jury could draw no inference or suggestion of  
18 guilt from the fact that you chose not to testify.

19 Do you understand your right to remain silent at  
20 trial?

21 THE DEFENDANT: Yes, I do.

22 THE COURT: And do you understand that by pleading  
23 guilty, you will be giving up that right?

24 THE DEFENDANT: Yes, I do.

25 THE COURT: You have a right against

1 self-incrimination. As I mentioned earlier, if you proceed  
2 with a plea of guilty, I will need to ask you questions,  
3 including questions about the facts, to make sure that there  
4 is a valid basis for a plea of guilty in this case.

5 In answering those questions, you will give up  
6 your right not to incriminate yourself and you will have to  
7 acknowledge your guilt in order to make a valid guilty plea.

8 Do you understand your right not to incriminate  
9 yourself?

10 THE DEFENDANT: Yes, I do.

11 THE COURT: And do you understand that by pleading  
12 guilty, you will be giving up that right?

13 THE DEFENDANT: Yes.

14 THE COURT: In summary, if you plead guilty and if  
15 the district judge accepts your plea, you will give up your  
16 right to a trial and the other rights I have just described  
17 to you, there will be no trial, and the district judge will  
18 enter a judgment of guilty and will sentence you on the  
19 basis of your guilty plea after receiving a presentence  
20 investigation report.

21 Do you understand that?

22 THE DEFENDANT: Yes, I do.

23 THE COURT: You understand that the offense to  
24 which you are pleading guilty is a felony offense, and that  
25 a judgment of guilty may deprive you of valuable civil

1 rights, including the right to vote, the right to hold  
2 public office, the right to serve on a jury and the right to  
3 possess a firearm?

4 THE DEFENDANT: Yes, I do.

5 THE COURT: I am now going to discuss with you the  
6 nature of the charge in the information filed against you.  
7 The information charges that -- there's a one-count  
8 information. It charges that you violated 18, United States  
9 Code, Section 1343, which pertains to wire fraud.

10 Ms. Wolf, have you discussed with your attorney  
11 the charge in the information?

12 THE DEFENDANT: Yes, I have.

13 THE COURT: Do you feel that you understand the  
14 charge made against you in the information?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: Okay. I'm now going to advise you of  
17 the elements of that charge. If you want to follow along,  
18 they're set forth on page 3 of your plea agreement at  
19 paragraph 9. There are four elements.

20 The first element is the defendant, which is you,  
21 Ms. Wolf, knowingly participated in or devised or intended  
22 to devise a scheme to defraud in order to obtain money or  
23 property as charged.

24 The second element is the scheme to defraud  
25 included a material misrepresentation or concealment of a

1 material fact.

2 The third element is the defendant had the intent  
3 to defraud.

4 And the fourth element is that in advancing or  
5 furthering or carrying out the scheme to defraud in order to  
6 obtain money or property, the defendant transmitted or  
7 caused the transmission of any writings, signal or -- any  
8 writing, signal or -- I'm trying to read this,  
9 Mr. McDonough.

10 MR. McDONOUGH: Or sound.

11 THE COURT: Or sound, okay. Any writing, signal  
12 or sound by means of a wire, radio or television communi- --  
13 television communication in interstate commerce.

14 So those are the four elements.

15 Ms. Wolf, do you understand those four elements?

16 THE DEFENDANT: Yes, I do.

17 THE COURT: Do you have any questions regarding  
18 any of the elements?

19 THE DEFENDANT: No, I do not.

20 THE COURT: Ms. Meehan, have you discussed with  
21 your client the elements of the offense?

22 MS. MEEHAN: Yes, Your Honor.

23 THE COURT: And do you feel that she understands  
24 the elements of the offense?

25 MS. MEEHAN: Yes, Your Honor.

1           THE COURT: Okay. I'm now going to ask  
2 Mr. McDonough, as counsel for the United States, to state  
3 the penalties associated with the charge in the information.  
4 Please state any maximum possible penalty, including  
5 imprisonment, fine or term of supervised release, any  
6 mandatory minimum penalty, any applicable forfeiture, the  
7 court's authority to order restitution, the court's  
8 obligation to impose a special assessment, and whether the  
9 offense is probationable.

10           MR. McDONOUGH: Your Honor, the maximum in prison  
11 for Count 1, wire fraud, is 20 years. The maximum statutory  
12 fine is \$250,000. The maximum alternative fine is twice the  
13 gross pecuniary gain or the gross pecuniary loss. The  
14 maximum period of supervised release is three years. There  
15 is a special assessment of \$100 upon conviction.

16           There is no forfeiture in this case. There is an  
17 agreement for the defendant to make full restitution in the  
18 amount of \$300,000. And this offense is probationable.

19           THE COURT: Okay. Ms. Wolf, did you understand  
20 what Mr. McDonough said about the penalties associated with  
21 this offense?

22           THE DEFENDANT: Yes, I did -- do.

23           THE COURT: He mentioned, among other things, that  
24 there's a potential term of supervised release of three  
25 years following -- up to three years following any term of

1 imprisonment.

2 Do you understand that if you are placed on  
3 supervised release, you will have to follow certain  
4 conditions of your supervised release, and if you violate a  
5 condition, the court can send you back to prison for an  
6 additional term for violating the supervised release?

7 Do you understand that?

8 THE DEFENDANT: Yes, I do.

9 THE COURT: And in some instances, depending on  
10 the facts, if the court sends you back to prison for  
11 violating your supervised release, the term for that  
12 violation, when added to the original term, could exceed the  
13 maximum term for the underlying offense.

14 Do you understand that?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: I am going to ask you some questions,  
17 Ms. Wolf, now to make sure that your plea is free and  
18 voluntary.

19 THE DEFENDANT: Okay.

20 THE COURT: Is your decision to plead guilty the  
21 result -- a decision that you have made on your own without  
22 any coercion?

23 THE DEFENDANT: Yes.

24 THE COURT: Has anyone threatened you or  
25 threatened anyone else or forced you in any way to plead

1 guilty?

2 THE DEFENDANT: No.

3 THE COURT: I understand there's been a plea  
4 agreement entered into between you and your attorney and  
5 counsel for the government.

6 Is that correct?

7 THE DEFENDANT: Yes, ma'am.

8 THE COURT: I'm going to hold up what has been  
9 handed to me as a plea agreement in order to have you  
10 identify it.

11 The plea agreement, in the lower right corner of  
12 each page, has a set of initials. Are those your initials,  
13 Ms. Wolf?

14 THE DEFENDANT: Yes, Your Honor.

15 THE COURT: And on the last page, there's --

16 MR. McDONOUGH: 6. Sorry.

17 THE COURT: -- there's a signature page at page  
18 10, and it's prior to the appendix. There's an appendix  
19 that follows the signature page. So I'm looking at the  
20 signature page to ask you to tell me whether your signature  
21 is on the top line on that page.

22 THE DEFENDANT: I signed it, yes.

23 THE COURT: Okay. Ms. Meehan, your signature is  
24 underneath Ms. Wolf's, correct?

25 MS. MEEHAN: Yes, Your Honor.



1 THE COURT: And, Mr. McDonough, your signature is  
2 the third signature on the page, correct?

3 MR. McDONOUGH: Yes, Your Honor.

4 THE COURT: Okay. Before you signed the plea  
5 agreement, Ms. Wolf, did you have an opportunity to read it  
6 and discuss it with your attorney?

7 THE DEFENDANT: Yes.

8 THE COURT: Do you feel that you understand the  
9 terms of the plea agreement?

10 THE DEFENDANT: Yes.

11 THE COURT: Okay. I'm now going to ask counsel  
12 for the United States to set forth the substance of the plea  
13 agreement on the record. After he does that, I will ask you  
14 and your counsel, Ms. Wolf, if you agree with what he has  
15 stated.

16 Mr. McDonough, you may proceed. You don't have to  
17 read every word, but it's the substance of the agreement.

18 MR. McDONOUGH: Yes.

19 THE COURT: With the exception of the statement of  
20 facts, which we will cover separately.

21 MR. McDONOUGH: Your Honor, the substance of the  
22 agreement as set forth in the plea agreement is the  
23 defendant will enter a guilty plea to Count 1 as charged.

24 The parties have agreed to jointly recommend the  
25 use of the advisory sentencing guideline computation in this

1 case. That guideline will not be -- the recommendation will  
2 not be binding upon the court.

3 Both parties agree to have the right of allocution  
4 at sentencing.

5 The parties did stipulate to a guideline  
6 computation for the offense of wire fraud. That the total  
7 offense level before acceptance of responsibility would be  
8 19.

9 And upon a guilty plea, the government would move  
10 for a three-level reduction for acceptance of  
11 responsibility.

12 The parties have no agreement regarding criminal  
13 history category.

14 The defendant has agreed to waive certain  
15 appellate, post-conviction rights, with the exception of  
16 claims of ineffective assistance of counsel or prosecutorial  
17 misconduct.

18 There is a restitution provision, where the  
19 parties have agreed to that amount.

20 And the plea agreement itself is set forth in  
21 writing, Your Honor.

22 THE COURT: Okay. So I see on page 5 -- page 2, I  
23 am sorry, paragraph 5, there's a statement that the court  
24 may order defendant to pay restitution.

25 Did you indicate that there's a restitution amount

1 specifically set forth in here? I see --

2 MR. McDONOUGH: Yes, Your Honor. Paragraph 22 on  
3 page 7 --

4 THE COURT: Okay.

5 MR. McDONOUGH: -- goes into further detail.

6 THE COURT: Okay. And that states that defendant  
7 agrees to make full restitution in the amount of \$300,000 as  
8 ordered by the court.

9 Correct?

10 MR. McDONOUGH: Correct, Your Honor.

11 THE COURT: All right. Ms. Meehan, do you agree  
12 with what counsel for the government has stated as the  
13 substance of the plea agreement?

14 MS. MEEHAN: Yes, Your Honor. The only thing that  
15 I would add is under paragraph 12, there was a  
16 recommendation here obviously to go by the guideline  
17 computation, but we reserve the right to argue for a  
18 variance under 5H1.4.

19 THE COURT: Okay.

20 MR. McDONOUGH: I agree, Your Honor.

21 THE COURT: All right. And so that is set forth  
22 in paragraph 12 on page 4.

23 Ms. Wolf, did you understand what counsel for the  
24 government stated about the substance of the plea agreement  
25 and do you agree with what he stated with the amendment or

1 the addition of what your counsel stated?

2 THE DEFENDANT: Yes, I do.

3 THE COURT: Okay. Now, I did notice that he at  
4 one point referred to the parties reserving the right to  
5 allocution. I know sometimes we use words -- lawyers use  
6 words that people who are not lawyers may not understand.  
7 So I just want to make sure that you understand what that  
8 means, which is at the time of sentencing, you will have  
9 received the presentence investigation report and you and  
10 your attorney will have the right to comment on that, as  
11 well as you will have the right to speak on your own behalf  
12 to the sentencing judge regarding the sentence. And counsel  
13 for the government will also have the right to speak on that  
14 subject as well.

15 Do you understand that?

16 THE DEFENDANT: Yes, ma'am.

17 THE COURT: Okay. Ms. Wolf, has anyone, including  
18 your attorney, the attorney for the United States or the  
19 court, made any promise to you other than the promise that's  
20 contained in the plea agreement to persuade you to plead  
21 guilty?

22 THE DEFENDANT: No.

23 THE COURT: Okay. I'm now going to talk for a few  
24 minutes about sentencing. Have you and your attorney --  
25 Ms. Wolf, I don't want to know what you discussed with your

1 attorney, but whether you discussed how the Sentencing  
2 Commission guidelines might apply to your case.

3 Have you discussed that topic?

4 THE DEFENDANT: Oh, yes.

5 THE COURT: Okay. I'm going to hold up a  
6 sentencing table. Have you seen that document?

7 THE DEFENDANT: Yes.

8 THE COURT: I want to make sure that you  
9 understand how to read the sentencing table. I'll give you  
10 an example which doesn't have anything to do with your case,  
11 but just for the purpose of making sure you understand how  
12 to read a table.

13 So if we had an offense that was an offense level  
14 of 3 and a criminal history category of VI, can you tell me  
15 what the guideline range for that case would be?

16 THE DEFENDANT: 3-9.

17 THE COURT: Yeah. And three to nine what?

18 THE DEFENDANT: Months.

19 THE COURT: Okay. Yes, it's three to nine months.  
20 So on each -- you know, the offense levels are on the left  
21 side of the page and the criminal history categories are  
22 across the top of the page.

23 So I'm going to direct your attention to  
24 paragraphs 9 to 17 of the plea agreement that starts on page  
25 3.

1           Do you understand, Ms. Wolf, that these paragraphs  
2 discuss the application of the sentencing guidelines to your  
3 case?

4           THE DEFENDANT: Yes, I do.

5           THE COURT: Okay. In paragraph 11, it states that  
6 "Defendant understands that the advisory guideline range  
7 will be determined by the court at the time of sentencing  
8 after a presentence report has been prepared by the  
9 probation office and reviewed by the parties."

10          So do you understand that at this time, there's no  
11 agreement between you and the government as to the guideline  
12 range that applies to your case, and that that will be  
13 determined by the court at the time of sentencing?

14          THE DEFENDANT: Yes, I do.

15          THE COURT: Okay. Turning to paragraph 17. That  
16 indicates that the parties have no agreement about your  
17 criminal history category.

18          So do you understand that?

19          THE DEFENDANT: Yes, I do.

20          THE COURT: All right. And as Mr. McDonough said,  
21 there has been agreement between the parties as to the  
22 offense level, and that's set forth in paragraph 15.

23          So you understand that as well, correct?

24          THE DEFENDANT: Yes.

25          THE COURT: Yes. With an additional provision in

1 16 for a reduction for acceptance of responsibility,  
2 correct?

3 THE DEFENDANT: Yes.

4 THE COURT: Okay. I'm now going to direct your  
5 attention to paragraph 13 of the plea agreement, which is on  
6 page 4. In that paragraph, it states, "Sentencing  
7 recommendations not binding on the court. Defendant  
8 understands that the recommendations of the parties will not  
9 be binding on the court, and that the court alone will  
10 decide the advisory guideline range under the sentencing  
11 guidelines, whether there is any basis to depart from that  
12 range or impose a sentence outside the advisory guideline  
13 range and what sentence to impose. Defendant further  
14 understands that once the court has accepted defendant's  
15 guilty plea, defendant will not have the right to withdraw  
16 such plea if the court does not accept any sentencing  
17 recommendations made on defendant's behalf or if defendant  
18 is otherwise dissatisfied with the sentence."

19 Do you understand that paragraph as well?

20 THE DEFENDANT: Yes, I do.

21 THE COURT: You understand that sentencing rests  
22 within the discretion of the court, that federal sentencing  
23 law requires the court to impose a sentence that is  
24 reasonable, and that the court must consider the advisory  
25 sentencing guidelines in determining what is a reasonable

1 sentence, correct?

2 THE DEFENDANT: Yes.

3 THE COURT: And do you understand that any  
4 recommendations contained in the plea agreement or made by  
5 the parties are not binding on the court and the court may  
6 impose any sentence that is permitted under the law?

7 THE DEFENDANT: Yes, I do.

8 THE COURT: Okay. And do you understand that in  
9 some circumstances, the court has the discretion to, after  
10 determining what the guideline range is that applies to your  
11 case, to impose a sentence that is either more or less  
12 severe than what the range -- guideline range calls for,  
13 correct?

14 THE DEFENDANT: Yes, ma'am.

15 THE COURT: And I think your attorney called  
16 attention to the fact that you are reserving the right to  
17 argue for a variance under the Sentencing Guideline Section  
18 5H1.4. But the court does have the authority to impose a  
19 sentence that is either more or less severe, correct?

20 THE DEFENDANT: Yes.

21 THE COURT: Do you understand that the sentence  
22 that the court imposes may be different from any estimate  
23 that your attorney may have given you?

24 THE DEFENDANT: Yes.

25 THE COURT: And if the court imposes a sentence



1 that is different from what is recommended by either the  
2 government or your attorney, you'll have no right to  
3 withdraw your guilty plea --

4 THE DEFENDANT: Yes.

5 THE COURT: -- do you understand that?

6 Do you also understand that parole has been  
7 abolished, and if you are sentenced to prison, you will not  
8 be released on parole?

9 THE DEFENDANT: Yes.

10 THE COURT: Having discussed your rights with you,  
11 do you still wish to proceed with a guilty plea, Ms. Wolf?

12 THE DEFENDANT: Yes, I do.

13 THE COURT: Okay. We are now going to talk about  
14 a factual basis for a plea of guilty in this case. The  
15 facts that are relied upon are set forth in Appendix A to  
16 your plea agreement -- Attachment A, I should say,  
17 Attachment A, which is captioned "Factual Basis and Relevant  
18 Conduct."

19 I am going to ask Mr. McDonough, as counsel for  
20 the United States, to state the facts that are set forth.  
21 You could follow along if you want to by looking at  
22 Attachment A, because after he finishes, I will ask if you  
23 agree with the facts that he has stated.

24 Mr. McDonough, you may proceed.

25 MR. McDONOUGH: Your Honor, the factual basis and

1 relevant conduct set forth in Attachment A is detailed.  
2 Would the court have a preference as to the government  
3 reading that verbatim or providing a summary regarding that?

4 THE COURT: I see it is fairly lengthy. So I  
5 think what's important to know, Ms. Wolf, is that you are  
6 agreeing -- as I understand it, you are agreeing that the  
7 facts that are set forth in this Attachment A and which  
8 Mr. McDonough is going to summarize are facts that the  
9 government could prove if this case went to trial.

10 So do you understand that?

11 THE DEFENDANT: I do.

12 THE COURT: Okay. So, Mr. McDonough, you may  
13 summarize.

14 MR. McDONOUGH: Thank you, Your Honor.

15 Defendant, Lauren B. Wolf, was a resident of  
16 Chagrin Falls, Ohio, located within the Northern District of  
17 Ohio, Eastern Division.

18 She established or caused to be established a  
19 company by the name of Sustainable Coatings, Incorporated,  
20 referred to as SCI. She was the president and on the board  
21 of directors.

22 From in or around January 2016 through in or  
23 around November 2016, she solicited investments in SCI to  
24 issue investors thousand dollar shares of preferred stock  
25 once SCI was incorporated and acquired NOTE reported? NOTE

1 by the Secretary of State.

2 She gave three investors, JH, AH and PH,  
3 individuals whose identities were known to the grand jury,  
4 \$300,000 worth of cognovit promissory notes in exchange for  
5 their \$300,000 investment in SCI in or around January 2016.

6 She devised a scheme to defraud those investors by  
7 inducing them to invest in SCI through materially false and  
8 fraudulent misrepresentations and omissions of material fact  
9 about SCI's ownership of paint coating technology, SCI's  
10 ability to fulfill sales order, and the nature and  
11 disposition of the investors' money.

12 The relevant time period was from January 2016  
13 through November 2016. And she ended up using those  
14 investor funds for her personal use. She had made cash  
15 withdrawals of personal expenditures and had transferred  
16 funds from SCI's account to her account.

17 From in or around January 2016 and continuing to  
18 in or around November 2016, she devised the scheme and  
19 artifice to defraud and obtain money from the investors. As  
20 a result, the investors suffered a loss of \$300,000.

21 The funds were transferred via wire transfer. One  
22 example was an investor transferring \$100,000 from -- that  
23 crossed state lines from that account into the defendant's  
24 account held at SCI, in violation of Title 18, United States  
25 Code, Section 1343.

1           And these activities took place in the Northern  
2 District of Ohio, Eastern Division.

3           THE COURT: All right. So, Ms. Wolf, do you agree  
4 with what Mr. McDonough just stated regarding the facts?

5           THE DEFENDANT: Yes, I do.

6           THE COURT: Do you have any changes you want to  
7 make in the facts? And when I say that, I am including also  
8 the facts -- all of the facts that are set forth in  
9 Attachment A to your plea agreement, because in entering  
10 into the plea agreement, you are agreeing that all of those  
11 facts could be proven.

12           So do you agree with all of the facts that are set  
13 forth in Attachment --

14           THE DEFENDANT: Yes, I do.

15           THE COURT: Do you have any changes you want to  
16 make in those facts?

17           THE DEFENDANT: No.

18           THE COURT: Okay. And do you admit that the facts  
19 that are set forth in the attachment and that were  
20 summarized by Mr. McDonough are true?

21           THE DEFENDANT: Yes.

22           THE COURT: Ms. Meehan, is there any right or any  
23 procedural provision that I failed to take account of before  
24 I ask Ms. Wolf how she pleads?

25           MS. MEEHAN: No, Your Honor.

1 THE COURT: And, Mr. McDonough?

2 MR. McDONOUGH: No, Your Honor.

3 THE COURT: Ms. Wolf, I'm now prepared to ask you  
4 how you plead. Before I ask you that, you have the right to  
5 have the information read or you can waive, that is, give up  
6 your right to have the information read into the record.

7 Do you wish to waive the reading of the  
8 information?

9 THE DEFENDANT: Yes.

10 THE COURT: Also, before I ask you how you plead,  
11 you may confer with your counsel, Ms. Meehan.

12 Do you wish to speak with your attorney?

13 THE DEFENDANT: No, Your Honor. I'm okay.

14 THE COURT: Do you have any questions of me before  
15 I ask you how you plead?

16 THE DEFENDANT: No, Your Honor.

17 THE COURT: Ms. Wolf, having advised you of your  
18 rights and having received evidence as to a factual basis  
19 for your plea of guilty, how do you plead to Count 1 of the  
20 information, guilty or not guilty?

21 THE DEFENDANT: Guilty.

22 THE COURT: Are you pleading guilty to the -- to  
23 Count 1 of the information because you are in fact guilty of  
24 that offense?

25 THE DEFENDANT: Yes.

1           THE COURT: It is my finding that the defendant,  
2           Lauren B. Wolf, is fully competent to and capable of  
3           entering an informed plea, that she is aware of the nature  
4           of the charge brought against her and the consequences of  
5           her plea, and that her plea of guilty to Count 1 of the  
6           information in this case is a knowing and voluntary plea  
7           that is supported by an independent basis in fact as to each  
8           of the essential elements of the offense charged against  
9           her.

10           I will therefore recommend that the district judge  
11           approve her plea agreement, accept her plea and adjudge her  
12           guilty of the offense charged in Count 1 of the information.

13           Ms. Wolf, the court will ask for a presentence  
14           investigation report to be prepared prior to sentencing  
15           unless counsel indicates that one should not be prepared in  
16           this case.

17           It is in your interest to cooperate with the  
18           probation office in providing information for the report  
19           since it will be an important factor in the decision as to  
20           what your sentence will be.

21           THE DEFENDANT: Yes.

22           THE COURT: If you are interviewed by the  
23           probation office for the report, your attorney may be  
24           present with you during the interview.

25           And you and your counsel will have a right and an

1 opportunity to review the report and to comment on it at the  
2 time of sentencing.

3 This case is assigned to U.S. District Judge Sara  
4 Lioi. She has set the sentencing hearing for May 14th, 2019  
5 at 1:30 p.m. That hearing will take place before Judge Lioi  
6 on the 5th floor of this courthouse.

7 At this time, I will ask counsel for the United  
8 States whether you have a recommendation for bond pending  
9 sentencing.

10 MR. McDONOUGH: Your Honor, the United States  
11 would recommend an unsecured bond as recommended by the  
12 pretrial services.

13 THE COURT: All right. And we have -- I did  
14 receive a recommendation from the Office of Pretrial  
15 Services, Ms. Wolf, that you be released on bond with  
16 certain conditions.

17 It is important that you understand the conditions  
18 and that you follow the conditions, because if you violate a  
19 condition of your bond, you will be brought before the court  
20 and you could be sent to prison at that time.

21 Do you understand that?

22 THE DEFENDANT: Yes, I do.

23 THE COURT: Have you had an opportunity to review  
24 the conditions of your bond with your attorney?

25 THE DEFENDANT: Yes.

1           THE COURT: Okay. So the recommendation was that  
2 you be released on a \$20,000 unsecured bond. It contains  
3 conditions that are both standard conditions and special  
4 conditions.

5           Standard conditions include that you may not  
6 violate any federal, state or local law while you're on  
7 release.

8           You must cooperate in the collection of a DNA  
9 sample as authorized.

10          You must advise the court, pretrial services  
11 office in writing before you make any change of residence or  
12 telephone number.

13          THE DEFENDANT: Uh-huh.

14          THE COURT: You must appear in court as required  
15 for this case.

16          And, if you are convicted, you must surrender to  
17 serve any term of imprisonment that may be imposed on you.

18          Additional conditions are that you must submit to  
19 supervision by the Office of Pretrial Services.

20          And so, Officer Lavecchia, when must Ms. Wolf  
21 report to your office?

22          PROBATION OFFICER: Your Honor, I will have her  
23 report to my office on Tuesday, I think it's January 22nd.

24          THE COURT: Okay.

25          PROBATION OFFICER: I will give her the



1 information before she leaves today.

2 THE COURT: Yes. Your office is located in --

3 PROBATION OFFICER: In Cleveland.

4 THE COURT: Cleveland. So, okay.

5 You must surrender any passport that you have and  
6 any other travel documents of that nature.

7 Has that been done already, Ms. Meehan?

8 MS. MEEHAN: No, Your Honor.

9 THE COURT: All right. So the passport is to be  
10 turned in to the clerk's office upstairs on the fifth floor.  
11 You'll get a receipt for it and it will be kept in the vault  
12 up there.

13 You may not obtain any new travel documents. I  
14 don't see that here, but that was one of the pretrial  
15 services recommendations. I don't see it on the bond,  
16 though.

17 So you may not obtain a new passport or other  
18 international travel document. I'm checking that right now.

19 You must avoid all contact, direct or indirect,  
20 with any person who is or may be a victim or witness in the  
21 investigation or prosecution of this case. So when we say  
22 indirect contact, you must not use another person to try to  
23 communicate indirectly with any of those people, so who may  
24 be a victim or witness.

25 Do you understand that?

1 THE DEFENDANT: Yes, I do.

2 THE COURT: You must undergo a psychiatric or  
3 mental health evaluation and/or counsel as directed by the  
4 office -- and/or counseling as recommended by pretrial  
5 services and take all medications prescribed.

6 In your case, we have another special condition,  
7 which is that you must avoid counseling others regarding  
8 investment and avoid accessing financial accounts and  
9 information of persons other than family members.

10 Do you understand that?

11 THE DEFENDANT: I sure do.

12 THE COURT: Okay. So, Ms. Wolf, having reviewed  
13 those conditions with you, do you agree to follow all of  
14 those conditions?

15 THE DEFENDANT: Yes, I do.

16 THE COURT: All right. So you will be ordered  
17 released on bond, unsecured bond of \$20,000 with the  
18 conditions contained in the bond, including the ones that I  
19 have reviewed with you here on the record today.

20 Mr. Lavecchia, or Officer Lavecchia, does she need  
21 to report downstairs today?

22 PROBATION OFFICER: Yes, Your Honor, she should  
23 report to the probation office downstairs today for  
24 instruction regarding the presentence report.

25 THE COURT: Okay. So that office is on the B3

1 level of the courthouse?

2 THE DEFENDANT: Pardon? The --

3 THE COURT: The B3 level.

4 THE DEFENDANT: B3.

5 THE COURT: It's ten after four. Are they open?

6 PROBATION OFFICER: Yes. Yes, Your Honor.

7 THE CLERK: She has to get processed by the  
8 marshals.

9 THE COURT: Oh, she has to be processed by the  
10 marshals as well? I don't know logistically how this is  
11 going to go, but --

12 THE CLERK: She has (unintelligible).

13 THE COURT: Okay. So Officer Lavecchia is  
14 indicating that she should go downstairs. I think what  
15 you're saying is that they may or may not be open after you  
16 get processed by the marshal, is that what you're trying to  
17 say?

18 (Unintelligible.)

19 THE COURT: Don't know, okay.

20 Well, I would ask you, Officer Lavecchia, to make  
21 sure that she has the instructions she needs to have before  
22 leaving here today.

23 PROBATION OFFICER: Yes, I will instruct her, and  
24 if they are closed by the time she gets down there, I will  
25 make sure she gets referred when she reports on the 22nd.

1 THE COURT: All right. Very good. Okay, thank  
2 you. With that, this hearing is concluded.

3 THE CLERK: All rise.

4 (Thereupon, the proceedings were concluded.)  
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## C E R T I F I C A T E

I certify that the foregoing is a correct transcript,  
to the best of my ability, transcribed from a digital  
audio recording from the record of proceedings in the  
above-entitled matter.

s/Lori A. Callahan  
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